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DPD-4714-60

NEGOTIATED CONTRACT

Contract No. HF-8143

Westinghouse Electric Corporation
Friendship International Airport
Baltimore 27, Maryland

Contract for: Non-Personal Contract
Technical Service
Personnel

Amount: 91,093.00

Mail Invoices to:

Period Performance:
See Schedule

Administrative Data:

This contract is entered into by and between the United States of America, hereinafter called the Government, represented by the Contracting Officer executing this contract, and the above-named Contractor which is a Corporation incorporated in the State of Pennsylvania hereinafter called the Contractor.

The Parties hereto agree that the Contractor shall furnish the necessary personnel and shall perform all the services set forth in the attached schedule issued hereunder for the consideration stated therein.

The rights and obligations of the parties to this contract shall be subject to and governed by the attached Schedule and General Provisions which together with this signature page and the accompanying certificate comprise this Contract No. HF-8143. In the event of any inconsistency between the Schedule and the General Provisions, the Schedule shall control.

IN WITNESS WHEREOF, the parties hereto have executed this contract as of JUN 28 1960, 1960

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~~WESTINGHOUSE~~ ELECTRIC CORPORATION

THE UNITED STATES OF AMERICA

BY

B

TITLE VICE PRESIDENT

Contracting Officer

- 1- HF-8143
- 2- Contractor
- 3- Finance
- 4-

5-
6- Ri

DOCUMENT NO. 10
NO CHANGE IN CLASS. ☒
☐ DECLASSIFIED
CLASS. CHANGED TO: TS S C 241
NEXT REVIEW DATE:
AUTH. BY 70-2
DATE: 16/2/81 REVIEWER: 010956

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AUTHORIZATION FOR REGIONAL MANAGERS TO SIGN PROPOSALS AND CONTRACTS

*Extracts from Minutes of a Meeting of the Board of Directors
of Westinghouse Electric Corporation Held July 29, 1953*

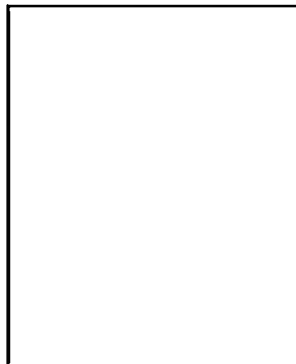
"Resolved, that the duly appointed Managers of the Regional Offices and of the Government Office in Washington, D.C., of the Corporation, be and they hereby are authorized and empowered to sign proposals and enter into contracts for the sale of apparatus and supplies on behalf of the Corporation."

DULY APPOINTED REGIONAL MANAGERS

The following named persons are the duly appointed Managers of the Regional Offices and the Government Office, Washington, D.C., of Westinghouse Electric Corporation.

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Atlanta
Chicago
New York
Philadelphia
Pittsburgh
St. Louis
San Francisco
Washington, D. C. (Government Office)

I, Vice President of Westinghouse Electric Corporation, do hereby certify that the foregoing statements are correct.

Witness my hand and the seal of the said Corporation duly attested by its Assistant Secretary this

30TH day of JUNE 1960

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WESTINGHOUSE ELECTRIC CORPORATION

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Attest:

Assistant Secretary

By



Vice President

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CERTIFICATE

I, _____, certify that
I am the _____ of the Corporation named
as Contractor herein; that _____ who
signed this contract on behalf of the Contractor was then _____
_____ of said Corporation; that said con-
tract was duly signed for and in behalf of said Corporation by
authority of its governing body, and is within the scope of its
Corporate powers.

_____ (Corporate Seal)

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SCHEDULE

PART I-SERVICES TO BE FURNISHED

a. GENERAL: The Contractor shall, during the period set forth in PART III of the Schedule, furnish and supply to the Government non-personal Contract Technical Services (CTS) as defined in Clause 1 of the General Provisions of this contract.

b. ITEMS OF SERVICE: The Contractor shall perform all maintenance necessary to keep five (5) equipments (3) installed in aircraft and (2) bench backups) and three (3) antennae in proper operating condition. The five (5) equipments and three (3) antennae shall be maintained during the periods and at domestic locations as directed by the Contracting Officer or his authorized representative. Services shall not be performed at more than two (2) locations at any one time. In the event the Government desires the services at foreign locations an equitable adjustment in the contract price will be negotiated.

c. ASSIGNMENT OF PERSONNEL: The assignment of contract technical services personnel to a designated place and the effective date of said assignment will be made by mutual agreement between the parties hereto. An overseas assignment will be substantiated by the execution of a "Letter of Assignment" and shall be in accordance with Exhibit "A", which is attached and made a part of this contract. The Contractor shall furnish to the Contracting Officer copies in triplicate of the assignment letters entered into as may be required by the Contracting Officer. Any supervisory personnel of the Contractor assigned to perform services hereunder will be accredited by the Contracting Officer to locations at which such services are to be performed. The contracting officer will be advised of all visits.

d. TRANSPORTATION: Transportation provisions are set forth in Clause 21(a) of the General Provisions.

e. SUPERVISION: Contract technical services personnel shall at all times be recognized as employees of the Contractor and under the Contractor's supervisory control. Such supervision shall be exercised by visits of the Contractor's supervisors to locations where services are being performed. However, the Contractor and contractor personnel shall, in the performance of services hereunder, be guided by and comply with the directions and requirements of the Project Base Commander or his authorized representative, under whose authority said services shall be performed in a satisfactory manner.

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f. REPORTS: Contractor personnel shall keep the Contractor fully informed as to maintenance problems by suitable internal reports; upon request of the Contracting Officer the Contractor will furnish summary reports regarding maintenance problems to such person(s) as are designated by the Contracting Officer. The Contractor will supply the Contracting Officer with copies of such reports.

g. PRIVILEGES: Assigned contract technical services personnel will be given certain privileges to the extent authorized other individuals assigned to a Project Base including but not limited to the following:

- (1) Necessary medical and dental care for the Contractor's personnel at no charge to the Contractor in the event that commercial medical or dental facilities are not available to the Contractor's personnel.
- (2) Provisions concerning vacation leave are set forth in PART II of the Schedule.

h. SUPPORT EQUIPMENT:

- (1) Maintenance parts, tools and test equipment required for maintenance of equipment and furnished under another contract shall be made available to the Contractor's maintenance personnel by the Government at the location where maintenance is to be performed.
- (2) The Government shall make available to the Contractor's maintenance personnel, for exclusive use to each overseas maintenance location, a vehicle such as a carry-all truck AF #500-5025-825125-275 or equivalent, including supplies and services for maintenance thereof at no cost to the Contractor. The Contractor will mount certain maintenance equipment in said vehicle to facilitate maintenance. This vehicle is to be used for official business only.
- (3) The Contractor shall support its field maintenance personnel employed in the performance of this contract with engineering services and special test facilities. Examples of such services are: (a) Visits of headquarters engineers, when approved by the Government, to assist such field maintenance personnel in evercoming maintenance problems; (b) Investigations at the

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Contractor's headquarters of field problems: (c) Tests at the Contractor's headquarters of components, sub-assemblies, or equipments which have shown excessive trouble in the field.

- (4) The Contractor is authorized to supply by local purchase, manufacture, or other procurement any replacement parts, tools, test equipment or hardware not otherwise easily available and necessary for the maintenance defined in the statement of work. For security purposes only, purchases in the field will be subject to the approval of the Base Commander. Examples of such materials and services are as follows: Resistors, Capacitors, Inductors, or Vacuum Tubes which are not included in Government furnished property and are not available in base supply. Minor test equipment such as Voltmeter, Ammeter or similar indicating devices not available in base supply. Repair at Contractor's plant or at other source test equipment and production equipment which malfunctions during maintenance.

PART II-CONSIDERATION AND PAYMENT

a. **CONTRACT PRICE:** The Government shall pay the Contractor in accordance with PART IV and Clause 4 of the General Provisions upon satisfactory performance of this contract, and upon the submission of properly certified invoices or vouchers therefor, as full payment for the services to be supplied by the Contractor hereunder, as follows:

- (1) A provisional amount of \$7,000 for each calendar month preceding amendment of contract incorporating redetermined price.
- (2) An amount for each calendar month subsequent to such amendment of contract which amount shall be the redetermined total price of PART Ib less previous payments under the Payment Provision (a) immediately above, divided by the number of calendar months remaining to specified completion of contract. In the event that total payment under Payment Provision (a) exceeds the redetermined price such excess shall become immediately due and payable to the Government.

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- (3) In the event timely redetermination of the total price of PART Ib is not affected as anticipated, payments shall continue at the rate of \$7,000 for each calendar month until the total price of PART Ib is redetermined, PROVIDED, that in no event shall the total of progress payments made under PART Ib exceed 90 percent of the total estimated contract price.
- (4) TRANSPORTATION: Reimbursement for the actual cost of approved transportation furnished by the Contractor in accordance with the provisions of this contract.

b. ESTIMATED CONTRACT PRICE: The total estimated contract price for the period 1 July 1960 through 30 June 1961 is \$91,093, of this amount \$4,000 is to cover transportation costs and Contractor furnished replacement parts. Of the total estimated price \$87,093.00 is subject to the provisions of PART IV-PRICE REDETERMINATION and \$4,000.00 for transportation and Contractor furnished replacement parts shall be reimbursed at actual cost.

c. PROCESSING OF INVOICES FOR PAYMENT: Invoices shall be submitted and processed for payment in accordance with Clause 4 of the General Provisions.

d. TIME COMPUTATIONS FOR PAYMENT PURPOSES: For payment purposes, the time spent in the performance of services hereunder will be determined in accordance with the provisions of Clause 20 of the General Provisions and the provisions of this Schedule.

e. VACATION LEAVE: Contractor personnel shall be granted two calendar weeks vacation at such time as is mutually agreeable between the Government and the Contractor. Such vacation period to begin on arrival at a point where reasonable commercial facilities are available, mutually agreeable to the Government and to the Contractor, to which the Government will furnish transportation. The vacation will end at this point after which the Government will furnish transportation back to the site of work.

PART III-PERIOD OF PERFORMANCE:

The services of the contract technical services personnel called for under PART Ib of this contract shall be furnished when and as required during the period of 1 July 1960 through 30 June 1961.

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PART IV-PRICE REDETERMINATION:

a. Because of the nature of the services called for by this contract and the uncertainty as to the cost of performance hereunder, the parties to this contract agree that the total estimated contract prices set forth in PART II-CONSIDERATION AND PAYMENT hereto, may be increased or decreased, in accordance with the provisions of this clause.

b. Promptly after 31 October 1960, or such other date as may be mutually agreed upon by the parties hereto, the parties shall negotiate to determine whether the total estimated contract price for the required services shall be revised and a new total contract price established, such new total contract price to be fixed and to represent the total amount payable to the Contractor for satisfactory performance of the contract, including all services theretofore furnished or thereafter to be furnished.

c. As soon as practicable, and in no case later than sixty (60) days after 31 October 1960, the Contractor shall furnish to the Contracting Officer a statement, in such form and detail as the Contracting Officer may prescribe, of the cost (including estimates to completion) of furnishing the services called for under this contract, together with such information as may be pertinent in the negotiations for the revised total contract price pursuant to this clause. Such statement of cost shall fairly reflect the normal operations of the Contractor's cost system, taking into account any deviations for such normal cost system as is required by the security restrictions placed upon the Contractor by the Government in performance under this contract. The Contracting Officer shall have the right at all reasonable times to make, or cause to be made by Government employees, or other person or persons agreed upon by the parties, such examinations or audits of the Contractor's books, records and accounts, as he may request.

d. Upon the filing of the statements and other pertinent information required by Paragraph C of this Clause, the Contractor and the Contracting Officer will promptly negotiate in good faith to agree upon a reasonable revised total contract price for the contract, which upon the basis of such statement and other pertinent information, will constitute fair and just compensation to the Contractor for the performance of this contract. In determining the extent of any estimated allowances for profit to be taken into account in fixing such revised price, consideration will be given to the extent to which the Contractor has performed the contract with efficiency, economy and ingenuity. The revised price shall be evidenced by an amendment to this contract. However, in the event

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that the negotiations for price revision, in accordance with this clause, indicate that the uncertainty as to the cost of complete performance is still for the over-all completion of this contract, provision may be made for such future negotiations as to revision as may be appropriate to the circumstances at the time.

e. If within thirty (30) days, or such other period as mutually agreed upon by the parties hereto, after the filing of the statement and other pertinent information required by Paragraph C of this clause the parties shall fail to agree upon the revised price, in accordance with the provisions of this clause, the failure to agree shall be deemed to be a disagreement as to a question of fact which shall be disposed of in accordance with the clause hereof entitled "DISPUTES."

f. For any of the purposes of the clause of this contract providing for termination at the option or convenience of the Government (including without limitation, computation of "the total contract price" and "the contract price of work not terminated"), the contract price shall be the revised contract price agreed upon under Paragraph D of this clause of determined under Paragraph E of this clause, as the case may be.

PART V-WAIVER OF REQUIREMENTS OF GENERAL PROVISIONS:

Notwithstanding the requirements of the General Provisions of this contract to the contrary, whensoever the Contractor, in performance of the work under this contract, shall find that the requirements of any of the clauses of the General Provisions are in conflict with security instructions issued to the Contractor by the Contracting Officer or by his duly authorized representative for security matters, the Contractor shall call the attention of the Contracting Officer to such conflict and the Contracting Officer or his duly authorized representative for security matters shall (i) modify or rescind such security requirements or (ii) the Contracting Officer shall issue to the Contractor a waiver of compliance with the requirements of the General Provisions conflicting with such security requirements. Any waiver of compliance with the General Provisions of this contract issued by the Contracting Officer shall be in writing, except that the approval by the Contracting Officer of any subcontract issued hereunder by the Contractor shall be deemed to constitute approval of waiver of any clauses of the General Provisions in conflict with the stipulations of such subcontract.

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PART VI-SPECIAL SECURITY RESTRICTIONS:

The Contractor shall not reveal (i) the specific nature or any details of the work being performed hereunder or (ii) any information whatsoever with respect to the department of the Government sponsoring this contract and the work thereunder except as the Contractor is directed or permitted to reveal such information by the Contracting Officer or by his duly authorized representative for security matters, and notwithstanding any clause or section of this contract to the contrary, the Contractor shall not interpret any clause or section of this contract as requiring or permitting divulgence of such information to any person, public or private, or to any officer or department of the Government without the express consent of the Contracting Officer or his duly authorized representative for security matters.

PART VII-CAPTURE AND DETENTION:

In the event any Contractor personnel assigned to duty under this contract is found to be missing from his place of employment, whether or not such personnel then actually was engaged in the course of his employment, under circumstances supporting an inference that his absence was due to the action of a hostile force or the force of any power not allied with the United States in a common military effort, or is known to have been taken prisoner, hostage, or otherwise detained by a hostile force or the force of any power not allied with the United States in a common military effort, the time spent by such personnel during such detention (which shall be construed to include the period until such personnel is returned to his place of employment, or to the United States, or death in fact is established by a finding by the Federal Security Administrator (hereinafter referred to as "Administrator") or other Federal body having jurisdiction or by other evidence satisfactory to the Contracting Officer, or death can legally be presumed to have occurred) shall not be considered as time spent in the performance of services hereunder and the Government shall not be obligated to make any payment on account of such personnel except as provided in this paragraph. The Contractor is authorized to and shall enter into agreements with personnel hereunder to pay benefits to the extent not otherwise paid to such personnel in the event of, and during the time spent by such personnel during such detention, as construed above, which will equal the total wage due for such detention, as construed above, computed on the basis of wage rate being paid such personnel at the time of such detention. Claims for benefits shall be made under applicable law with the Administrator. In the event that the Contractor is obligated by agreements, authorized above, to pay and shall have paid benefits in an amount not paid or payable by the Administrator on account of such detention of such personnel, the Government

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shall pay to the Contractor, in respect of such personnel during the period of such detention, as construed above, such amount which when added to the amount paid or to be paid in respect of such personnel by the Administrator, whether to the Contractor or otherwise, will equal the total wage due for such period of detention, as construed above, computed on the basis of wage rate being paid such personnel at the time of such detention. Subject to the availability of funds therefor, the obligation of the Government to make payments provided for by this paragraph shall continue in effect during the period of such detention, as construed above, and shall survive the earlier expiration or termination of this contract.

PART VIII-ENGINEERING AND SERVICE PROCEDURE:

Except as specifically provided herein the Contractor's personnel rendering services under this contract will be governed by the Contractor's established Engineering and Service procedure, hereinafter referred to as E&S procedures.

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EXHIBIT "A"

BALTIMORE DIVISIONS
Overseas Assignment

Mr. John Doe:

Confirming discussion between your supervisor and you, your overseas assignment will be subject to the following terms and conditions:

1. Transportation: You are to proceed via first-class commercial transportation to and from the embarkation point, charging expenses under the normal E&S procedures. Reservations from the point of embarkation to and from the work location will be made for you and you will be furnished first-class commercial aircraft tickets except in case of emergency or where first-class transportation is not available in which case the government will furnish transportation.
2. Passport: You will have satisfied the requirements and will have obtained a passport prior to departure for that point of embarkation.
3. Physical Examinations: You will have had a thorough physical and dental examination.
4. Security Requirements: The Project which you will be assigned is subject to very rigid security regulations and it is mandatory you conform to all the requirements stated on the personal security questionnaire which was signed by you upon employment by Westinghouse.
5. Vacation Leave: You will be entitled to two weeks vacation at a time mutually agreeable between you, your supervisor, and the Government. You will be furnished round-trip transportation by the Government from the work site to a point where reasonable commercial facilities are available. Your vacation will begin upon arrival at that point and end two weeks thereafter at that point.
6. Hours of Work: Normally you will work 40 hours per week. Such hours to conform to the requirements of the project officer. The nature of the project makes it necessary that you be subject to call 24 hours per day, 7 days per week. If it is necessary to work Saturdays, Sundays, and Holidays, you will receive equivalent time off where the job permits.

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7. Dependents: It will not be permissible for your dependents to join you at some foreign duty station to which you may be assigned.

8. Expenses: Travel and living expenses will be chargeable in accordance with established E&S procedures.

9. Compensation: In addition to your regular salary, you will receive the following compensation:

- (a) An overseas salary differential. This will cover the inconvenience of being abroad and any overtime required.
- (b) If you complete the assignment at a foreign station where your dependents cannot join you or if it is terminated for reasons beyond your control, you will receive an overseas completion salary differential calculated at the rate of \$111.00 per month or fraction thereof.

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**GENERAL PROVISIONS
(TECHNICAL SERVICES CONTRACTS)**

1. **DEFINITIONS.**—As used throughout this contract, the following terms shall have the meanings set forth below:

(a) The term "Secretary" means the Secretary, the Under Secretary, or any Assistant Secretary of the Department, and the head or any assistant head of the executive agency; and the term "his duly authorized representative" means any person or persons or board (other than the Contracting Officer) authorized to act for the Secretary.

(b) The term "Contracting Officer" means the person executing this contract on behalf of the Government, and any other officer or civilian employee who is a properly designated Contracting Officer; and the term includes, except as otherwise provided in this contract, the authorized representative of a Contracting Officer acting within the limits of his authority. The Commander of the Air Force activity to which any contractor personnel may be assigned hereunder is hereby designated an authorized representative of the Contracting Officer with regard to contractor personnel so assigned.

(c) Except as otherwise provided in this contract, the term "subcontracts" includes purchase orders under this contract.

(d) The terms "contractor employee" and "contractor personnel" as used throughout this contract shall be deemed to refer to all contract technical services personnel, including all of the specific types of technicians referred to in the Schedule, and shall be defined as persons, such as advisers, instructors, or technical specialists, obtained through the contractor to perform services pertaining to the operation and maintenance engineering of Air Force equipment. The terms include both:

(i) "Technical representatives" who are employees of a manufacturer furnishing end items of equipment to the Air Force, and furnishing services only in connection with such end items; and

(ii) "Contract technicians" who are employees of a commercial concern furnishing services to the Air Force at least a part of which are in connection with end items not manufactured by the Contractor.

(e) The term "man month" as used herein shall be deemed to be the time devoted to the performance of services hereunder by one contractor employee during a period of one calendar month.

(f) The term "continental limits of the United States" as used herein means any place within the territorial limits of the 48 states and the District of Columbia.

(g) The term "domestic services" as used herein means services within the continental limits of the United States.

(h) The term "overseas" as used herein means any place outside the continental limits of the United States.

2. **CHANGES.**—The Contracting Officer may, at any time, by a written order, and without notice to the sureties, if any, make changes in or additions to drawings and specifications, issue additional instructions, require modified or additional work or services within the general scope of the contract, change the place of delivery or method of shipment, or the amount of Government furnished property. If any such change causes an increase or decrease in the cost of, or the time required for, performance of this contract, an equitable adjustment shall be made in the contract price, or time of performance, or both; and the contract shall be modified in writing accordingly. Any claim by the Contractor for adjustment under this clause must be asserted within sixty (60) days from the date of receipt by the Contractor of the notification of change; provided, however, that the Contracting Officer, if he decides that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under this contract. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes." However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

3. **INSPECTION.**—All services, material and workmanship, shall be subject to inspection and test by representatives of the Government. For this purpose, the Contractor shall allow at all reasonable times inspectors and other Government personnel free access to the plant and operations and shall furnish such facilities, supplies, and services as may be required for this work.

4. PAYMENTS

(a) The Contractor shall be paid in monthly installments upon submission of properly certified invoices therefor for services rendered and accepted less deductions, if any, as herein provided.

(b) Any payments in reimbursement of the cost of any transportation furnished by the Contractor for which it is entitled to be reimbursed under paragraph (a) of the Clause hereof entitled "Services Furnished by the Government" shall be made upon the submission of properly certified invoices and other evidence satisfactory to the Contracting Officer covering the expenditures for which reimbursement is so sought.

(c) If this contract provides for overseas services, the domestic rates, if any, specified in the Schedule are applicable to that portion of the time necessary for travel between the Contractor's plant and the overseas site which is spent within the continental limits of the United States.

5. **ASSIGNMENT OF CLAIMS.**—(a) Pursuant to the provisions of the Assignment of Claims Act of 1940, as amended (31 U.S. Code 203, 41 U.S. Code 15,) if this contract provides for payments aggregating \$1,000 or more, claims for moneys due or to become due the Contractor from the Government under this contract may be assigned to a bank, trust company, or other financing institution, including any Federal lending agency, and may thereafter be further assigned and reassigned to any such institution. Any such assignment or reassignment shall cover all amounts payable under this contract and not already paid, and shall not be made to more than one party, except that any such assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in such financing. Notwithstanding any other provision of this contract, payments to any assignee of any moneys due or to become due the Contractor from the Government under this contract, if not so assigned, shall be subject to reduction or set-off.

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(b) In no event shall copies of this contract or of any plans, specifications, or other similar documents relating to work under this contract be furnished to any assignee of any claim arising under this contract or to any other person not entitled to receive the same; provided that a copy of any part or all of this contract so marked may be furnished, or any information contained therein may be disclosed, to such assignee upon the prior written authorization of the Contracting Officer.

6. FEDERAL, STATE AND LOCAL TAXES.—(a) Definitions. As used throughout this clause, the following terms shall have the meanings set forth below:

(i) The term "direct tax" means any tax or duty directly applicable to the completed supplies or services (as distinguished from taxes directly applicable to materials and components used in the manufacture or furnishing of the completed supplies or services) covered by this contract, or any other tax or duty from which the Contractor or this transaction is exempt. It includes any tax or duty directly applicable to the importation, production, processing, manufacture, construction, sale, or use of such supplies or services; it also includes any tax levied on, with respect to, or measured by sales, receipts from sales, or use of the supplies or services covered by this contract. The term does not include transportation taxes, unemployment compensation taxes, social security taxes, income taxes, excess-profits taxes, capital stock taxes, property taxes, and such other taxes as are not within the definition of the term "direct tax" as set forth above in this paragraph.

(ii) The term "contract date" means the effective date of this contract if it is a negotiated contract, or the date set for the opening of bids if it is a contract entered into as a result of formal advertising. For the purpose of any additional procurement of supplies or services called for by an agreement supplemental hereto, the term "contract date" shall refer to the date of such supplemental agreement.

(b) Federal Taxes. Except as may be otherwise provided in this contract, the contract price includes all applicable Federal taxes in effect on the contract date.

(c) State or Local Taxes. Except as may be otherwise provided in this contract, the contract price does not include any State or local direct tax in effect on the contract date.

(d) Evidence of Exemption. The Government agrees, upon request of the Contractor, unless there exists no legal basis to sustain an exemption, to furnish a Tax Exemption Certificate or other similar evidence of exemption with respect to any direct tax not included in the contract price pursuant to this clause; and the Contractor agrees, in the event of the refusal of the applicable taxing authority to accept such evidence of exemption, (i) promptly to notify the Contracting Officer of such refusal, (ii) to cause the tax in question to be paid in such manner as to preserve all rights to refund thereof, and (iii) if so directed by the Contracting Officer, to take all necessary action, in cooperation with and for the benefit of the Government, to secure a refund of such tax (in which event the Government agrees to reimburse the Contractor for any and all reasonable expenses incurred at its direction.)

(e) Price Adjustment. If, after the contract date, (i) the Federal Government or any State or local government either imposes or increases (or removes an exemption with respect to) any direct tax or any tax directly applicable to the materials or components used in the manufacture or furnishing of the completed supplies or services covered by this contract, or (ii) the Federal Government or any State or local government refuses to accept the evidence of exemption, furnished under paragraph (d) hereof, with respect to any direct tax excluded from the contract price, or (iii) the Federal Government does not furnish a tax exemption certificate or other similar evidence of exemption with respect to any direct tax excluded from the contract price, and if under either (i), (ii), or (iii) the Contractor is obliged to and does pay or bear the burden of any such tax (and does not secure a refund thereof), the contract price shall be correspondingly increased, and if interest and penalties are incurred by reason of delay in payment of such tax on the instruction of the Contracting Officer, and such interest and penalties are legally imposed, the contract price shall be correspondingly increased. If, after the contract date, the Contractor is relieved in whole or in part from the payment or the burden of any direct tax included in the contract price, or any tax directly applicable to the materials or components used in the manufacture or furnishing of the completed supplies or services covered by this contract, the Contractor agrees promptly to notify the Contracting Officer of such relief, and the contract price shall be correspondingly decreased or the amount of such relief paid over to the Government. Invoices or vouchers covering any increase or decrease in contract price pursuant to the provisions of this paragraph shall state the amount thereof, as a separate added or deducted item, and shall identify the particular tax imposed, increased, eliminated, or decreased.

(f) Refund or Drawback. If any tax or duty has been included in the contract price as adjusted under paragraph (e) of this clause, and if the Contractor is entitled to a refund or drawback by reason of the export or re-export of supplies covered by this contract, or of materials or components used in the manufacture or furnishing of the completed supplies or services covered by this contract, the Contractor agrees that he will promptly notify the Contracting Officer thereof and that the amount of any such refund or drawback obtained will be paid over to the Government or credited against amounts due from the Government under this contract; provided, however, that the Contractor shall not be required to apply for such refund or drawback unless so requested by the Contracting Officer.

7. DEFAULT.—(a) The Government may, subject to the provisions of paragraph (b) below, by written Notice of Default to the Contractor terminate the whole or any part of this contract in any one of the following circumstances:

(i) if the Contractor fails to make delivery of the supplies or to perform services within the time specified herein or any extension thereof; or

(ii) if the Contractor fails to perform any of the other provisions of this contract, or so fails to make progress as to endanger performance of this contract in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of ten (10) days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such a failure.

(b) The Contractor shall not be liable for any excess costs if any failure to perform the contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes include, but are not restricted to, acts of God or of the public enemy, acts of the Government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, unusually severe weather, and defaults of subcontractors due to any of such causes unless the Contracting Officer shall determine that the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required delivery schedule.

(c) In the event the Government terminates this contract in whole or in part as provided in paragraph (a) of this clause, the Government may procure, upon such terms and in such manner as the Contracting Officer may deem appropriate, supplies or services similar to those so terminated, and the Contractor shall be liable to the Government for any excess costs for such similar supplies or services, provided that, the Contractor shall continue the performance of this contract to the extent not terminated under the provisions of this clause.

(d) If this contract is terminated as provided in paragraph (a) of this clause, the Government, in addition to any other rights provided in this clause, may require the Contractor to transfer title and deliver to the Government in the manner and to the extent directed by the Contracting Officer, (i) any completed supplies, and (ii) such partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing materials") as the Contractor has specifically produced or specifically acquired for the performance of such part of this contract as has been terminated; and the Contractor shall, upon direction of the Contracting Officer, protect and preserve property in possession of the Contractor in which the Government has an interest. The Government shall pay to the Contractor the contract price for completed supplies delivered to and accepted by the Government, and the amount agreed upon by the Contractor and the Contracting Officer for manufacturing materials delivered to and accepted by the Government and for the protection and preservation of property. Failure to agree shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes."

(e) If, after notice of termination of this contract under the provisions of paragraph (a) of this clause, it is determined that the failure to perform this contract is due to causes beyond the control and without the fault or negligence of the Contractor pursuant to the provisions of paragraph (b) of this clause, such Notice of Default shall be deemed to have been issued pursuant to the clause of this contract entitled "Termination for Convenience of the Government," and the rights and obligations of the parties hereto shall in such event be governed by such clause. (Except as otherwise provided in this contract, this paragraph (e) applies only if this contract is with a military department.)

(f) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

8. **DISPUTES.**—Except as otherwise provided in this contract, any dispute concerning a question of fact arising under this contract which is not disposed of by agreement shall be decided by the Contracting Officer, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor. Within thirty (30) days from the date of receipt of such copy, the Contractor may appeal by mailing or otherwise furnishing to the Contracting Officer a written appeal addressed to the Secretary, and the decision of the Secretary or his duly authorized representative for the hearing of such appeals shall, unless determined by a court of competent jurisdiction to have been fraudulent or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith or not supported by substantial evidence be final and conclusive; provided that, if no such appeal is taken, the decision of the Contracting Officer shall be final and conclusive. In connection with any appeal proceeding under this clause, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the contract and in accordance with the Contracting Officer's decision.

9. **CONVICT LABOR.**—In connection with the performance of work under this contract, the Contractor agrees not to employ any persons undergoing sentence of imprisonment at hard labor.

10. **EIGHT-HOUR LAW OF 1912.**—This contract to the extent that it is of a character specified in the Eight-Hour Law of 1912 as amended (40 U.S. Code 324-326) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S. Code 35-45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912 as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Contractor or any subcontractor contracting for any part of the said work, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every such laborer and mechanic employed by the Contractor or any subcontractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed upon the Contractor for each such laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause; and all penalties thus imposed shall be withheld for the use and benefit of the Government.

11. **NONDISCRIMINATION IN EMPLOYMENT.**—In connection with the performance of work under this contract, the Contractor agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or National origin. The aforesaid provision shall include, but not be limited to, the following employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; lay-off or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of the nondiscrimination clause.

The Contractor further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

12. **OFFICIALS NOT TO BENEFIT.**—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

13. **COVENANT AGAINST CONTINGENT FEES.**—The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty the Government shall have the right to annul this contract without liability on its part, and to deduct from any money payable to the Contractor, or to pay to the Government, any percentage, brokerage, or contingent fee.

14. **TERMINATION FOR CONVENIENCE OF THE GOVERNMENT.**—(a) The performance of work under this contract may be terminated at any time by the Government at any time to time in part, whenever the Contracting Officer shall determine that such termination is in the best interests of the Government. Any such termination shall be effected by delivery to the Contractor of a Notice of Termination specifying the extent to which performance of work under the contract is terminated, and the date upon which such termination becomes effective.

(b) After receipt of a Notice of Termination, and except as otherwise directed by the Contracting Officer, the Contractor shall (1) discontinue all work to the extent and on the dates specified in such Notice; (2) proceed promptly with the return to its plant of such of its Contractor personnel as may be covered by said Notice; and (3) transfer title and deliver to the Government, in the manner, and to the extent and at the times directed by the Contracting Officer, the completed and partially completed work, material, plans, drawings, data, information, reports, and other property produced as a part of, or acquired in connection with the performance of the work terminated in such Notice.

(c) Upon termination of work, as provided in this clause, the Contractor shall, in respect to such Contractor Personnel as may be covered by said Notice of Termination, be paid that part of the fixed price set forth in the Clause of this contract entitled "Consideration and Payment" which has accrued for services rendered hereunder up to the effective date of such Notice, and for time necessary for such Contractor Personnel to return to the plant of the Contractor after the effective date of said Notice and any other amounts properly owing to the Contractor under said "Consideration and Payment" clause which are theretofore unpaid. If, at the date of said Notice, certain costs have actually been incurred by the Contractor in connection with the contract preliminary to the departure of the Contractor Personnel covered by said Notice of Termination from the plant of the Contractor which are allocable to the entire period of performance contemplated hereunder, the Government will pay to the Contractor such sum as the Contracting Officer and the Contractor may agree is properly allocable to the terminated portion of the contract. Settlement under the provisions of this paragraph (c) shall be evidenced by a Supplemental Agreement to the contract. In the event of the failure of the Contractor and the Contracting Officer to agree upon the whole amount to be paid to the Contractor by reason of the termination of work pursuant to this clause, the Contracting Officer shall determine, on the basis of information available to him, the amount, if any, due to the Contractor by reason of the termination and shall pay to the Contractor the amount so determined.

(d) Any dispute arising out of the termination of the contract under this clause shall be decided in accordance with the procedure prescribed in the "Disputes" clause hereof.

15. **SUBCONTRACTS FOR WORK OR SERVICES.**—No contract shall be made by the Contractor with any other party for furnishing any of the work or services herein contracted for without the written approval of the Contracting Officer, but this provision will not be taken as requiring the approval of contracts of employment between the Contractor and personnel assigned for services thereunder.

16. **INSPECTION AND AUDIT.**—(a) The Contractor agrees that its books and records and its plant, or such parts thereof as may be engaged in the performance of this contract shall at all reasonable times be subject to inspection and audit by any authorized representative of the department.

(b) The Contractor shall cause a like provision to be included in all subcontracts hereunder.

17. **EXAMINATION OF RECORDS.**—(The provisions of this clause shall be applicable only if this contract is a negotiated contract in excess of \$1,000.)—(a) The Contractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three (3) years after final payment under this contract, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Contractor involving transactions related to this contract.

(b) The Contractor further agrees to include in all his subcontracts hereunder a provision to the effect that the subcontractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three (3) years after final payment under the subcontract have access to and the right to examine any directly pertinent books, documents, papers, and records of such subcontractor involving transactions related to the subcontract. The term "Subcontract" as used in this clause excludes (i) purchase orders not exceeding \$1,000 and (ii) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

(c) The provisions of paragraphs (a) and (b) above are in addition to any other provisions of this contract relating to access to, retention of, and inspection of records.

18. **GRATUITIES.**—(a) The Government may, by written notice to the Contractor, terminate the right of the Contractor to proceed under this contract if it is found, after notice and hearing, by the Secretary or his duly authorized representative that gratuities (in the form of entertainment gifts or otherwise) were offered or given by the Contractor, or any agent or representative of the Contractor, to any officer or employee of the Government with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performing, of such contract; provided that the existence of the facts upon which the Secretary or his duly authorized representative makes such findings shall be in issue and may be reviewed in any competent court.

(b) In the event this contract is terminated as provided in paragraph (a) hereof, the Government shall be entitled (i) to pursue the same remedies against the Contractor as it could pursue in the event of a breach of the contract by the Contractor, and (ii) as a penalty in addition to any other damages to which it may be entitled by law, to exemplary damages in an amount (as determined by the Secretary or his duly authorized representative) which shall be not less than three nor more than ten times the cost incurred by the Contractor in providing any such gratuities to any such officer or employee.

(c) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

19. **CONTRACTOR PERSONNEL.**—(a) Subject to the provisions of PART II of the Schedule, the number of contractor personnel and the number of man-months specified in the Schedule may be exceeded with the prior written approval of the Contracting Officer, but only to the extent necessary to provide continuous service in the event that a transfer, reassignment, or other cause would result in an interruption of service.

(b) Contractor personnel will normally be assigned to major air command headquarters. Such personnel shall perform services at such places within the command as the Contracting Officer may direct.

(c) The Contractor shall be responsible for selecting personnel who are well qualified to perform the required services, for supervising techniques used in their work, and for keeping them informed of all improvements, changes and methods of operations.

(d) Contractor personnel, upon assignment, either within the continental limits of the United States or overseas, are subject to call 24 hours a day. Normally they will perform their assigned duties on the same daily and hourly basis as the personnel of the organization to which they are assigned. Holidays will be observed in accordance with the direction of the Commander of the air activity to which Contractor personnel are assigned. In the event that a Contractor employee is required to perform services hereunder on an observed holiday, reimbursement shall be made as provided in the Schedule.

(e) The Contractor shall be required to furnish a replacement for any Contractor personnel who may be returned to the Contractor's plant or become incapacitated or die or otherwise be unable to complete performance hereunder prior to the expiration of the period of performance, unless otherwise agreed upon by the parties hereto.

(f) The Contractor shall furnish all necessary equipment, salaries and wages of its personnel, all costs of subsistence and lodging, costs of passports, insurance, and any and all other costs in connection with the services to be rendered hereunder except as otherwise provided in the Clause hereof entitled "Services Furnished by the Government."

(g) The Contractor, promptly after receipt of official notice from the Contracting Officer that the services of Contractor personnel are required hereunder, shall furnish in writing to the Contracting Officer the name of each person assigned by the Contractor under this contract, his qualifications, his security clearance, and such other pertinent information as the Contracting Officer may request. The Contractor shall have the right to replace or transfer its personnel and to substitute other qualified personnel in lieu thereof; provided, however, that such transfers or reassignments will not be due cause for a break in services rendered and that such replacements or transfers have been coordinated with the Contracting Officer. Any transfers or reassignments for the convenience of the Contractor, including travel and training cost of replacement personnel, shall be at the Contractor's expense. Transfers and reassignments of personnel shall be construed as being for the convenience of the Contractor unless directed or approved by the Contracting Officer or his authorized representative. The selection of personnel by the Contractor shall be subject to approval of the Contracting Officer.

(h) The Contracting Officer may, if he finds it to be in the best interest of the Government, direct the Contractor to remove, and the Contractor shall remove, any employee from an assignment to perform services under this contract.

(i) The Contractor shall furnish to and file with the Contracting Officer such copies of the Employment Contracts, if any, entered into with Contractor personnel engaged in performing the services to be rendered under this contract, as may be required by the Contracting Officer.

(j) Personnel employed by the Contractor hereunder and sent overseas shall be accredited to the United States Air Force with a recognized status under the Hague Regulations and the Geneva Conventions, shall be given proper credentials and identification cards, shall wear a uniform when prescribed by the theater commander, shall be subject to appropriate recognition under the rules of war, and shall be subject to such regulations as have been or may hereafter be issued by the United States Air Force governing Contractor personnel serving with the United States Air Force in foreign theaters of operation.

(k) In accordance with the Uniform Code of Military Justice, Article 2, Contractor personnel serving with, employed by, or accompanying an armed force outside the continental limits of the United States and territories specified in Article 2(11) and 2(12) are subject to the Uniform Code of Military Justice.

20. PERIOD OF PERFORMANCE.—(a) The services shall be performed during the period set forth in PART III of the Schedule, but the time of starting and ending performance and the number of Contractor personnel furnished at any time shall be as directed by the Contracting Officer.

(b) It is understood that time necessary for Contractor personnel to proceed from the plant or plants of the Contractor to the site or sites for the performance of services hereunder shall be considered as time spent in the performance of services hereunder. It is also understood that time necessary for the transfer of Contractor personnel between different sites for the performance of services hereunder and time necessary for the return of such personnel to the plant of the Contractor shall be considered as time spent in the performance of services hereunder.

21. SERVICES FURNISHED BY THE GOVERNMENT.—In connection with services to be rendered hereunder, the Government shall furnish and supply to the Contractor the following facilities and services:

(a) Suitable transportation for Contractor personnel and their baggage and for any equipment to be furnished by the Contractor hereunder from the Contractor's plant to the site or sites of work, at any site of work while on official business, between sites of work, and return to the plant of the Contractor. In the event of failure by the Government to furnish suitable transportation, the Contractor shall furnish such transportation, and the Government will reimburse the Contractor for the actual and reasonable cost of such transportation, provided the same has been approved as provided in this paragraph. All travel of Contractor personnel will require prior approval from the Commander, Air Materiel Command, or the Commander of the major Air Command having operating responsibility in connection with this contract, except that prior approval of nonexpense travel in connection with the unit mission is not required.

(b) Use of Government communication facilities for the exchange of messages between Contractor personnel and the Contractor, where and when available if the Contractor is unable to procure commercial communication services; but the use thereof shall be subject to the regulations of the Representatives of the Government in charge thereof.

(c) Use of Government services and agencies in the transmittal of funds to Contractor personnel and as a medium of commercial exchange for said personnel when adequate commercial services and facilities are not available.

(d) Contractor personnel assigned to Air Force activities will be accorded the same privileges as commissioned officers with regard to bachelor officers quarters, local transportation and messing when available. Emergency medical facilities may be furnished as prescribed by applicable regulations.

22. **MILITARY SECURITY REQUIREMENTS.**—(a) The provisions of this clause shall apply to the extent that this contract involves access to information classified "Confidential" including "Confidential - Modified Handling Authorized" or higher.

(b) The Government shall notify the Contractor of the security classification of this contract, and the elements thereof, and of any subsequent revisions in such security classification, by the use of a Security Requirements Check List (DD Forms 254 and 254-1).

(c) To the extent the Government has indicated as of the date of this contract or thereafter indicates security classification under this contract as provided in paragraph (b) above, the Contractor shall safeguard all classified elements of this contract and shall provide and maintain a system of security controls within its own organization in accordance with the requirements of:

(i) the Security Agreement (DD Form 441), including the Department of Defense Industrial Security Manual for Safeguarding Classified Information as in effect on date of this contract, and any modification to the Security Agreement for the purpose of adapting the Manual to the Contractor's business; and

(ii) any amendments to said Manual made after the date of this contract, notice of which has been furnished to the Contractor by the Security Office of the Military Department having security cognizance over the facility.

(d) Representatives of the Military Department having security cognizance over the facility and representatives of the Contracting Military Department shall have the right to inspect at reasonable intervals the procedures, methods, and facilities utilized by the Contractor in complying with the security requirements under this contract. Should the Government, through these representatives, determine that the Contractor is not complying with the security requirements of this contract, the Contractor shall be informed in writing by the Security Office of the cognizant Military Department of the proper action to be taken in order to effect compliance with such requirements.

(e) If subsequent to the date of this contract, the security classifications or security requirements under this contract are changed by the Government as provided in this clause and the security costs under this contract are thereby increased or decreased, the contract price shall be subject to an equitable adjustment by reason of such increased or decreased costs. Any equitable adjustment shall be accomplished in the same manner as if such changes were directed under the "Changes" clause in this contract.

(f) The Contractor agrees to insert, in all subcontracts hereunder which involve access to classified information, provisions which shall conform substantially to the language of this clause, including this paragraph (f) but excluding the last sentence of paragraph (e) of this clause.

(g) The Contractor also agrees that it shall determine that any subcontractor proposed by it for the furnishing of supplies and services which will involve access to classified information in the Contractor's custody has been granted an appropriate facility security clearance, which is still in effect, prior to being accorded access to such classified information.

23. **GOVERNMENT-FURNISHED PROPERTY.**—(a) The Government shall deliver to the Contractor, for use in connection with and under the terms of this contract, the property described in the Schedule or specifications, together with such related data and information as the Contractor may request and as may reasonably be required for the intended use of such property (hereinafter referred to as "Government-furnished Property"). The delivery or performance dates for the supplies or services to be furnished by the Contractor under this contract are based upon the expectation that Government-furnished Property suitable for use will be delivered to the Contractor at the times stated in the Schedule or, if not so stated, in sufficient time to enable the Contractor to meet such delivery or performance dates. In the event that Government-furnished Property is not delivered to the Contractor by such time or times, the Contracting Officer shall, upon timely written request made by the Contractor, make a determination of the delay occasioned the Contractor thereby, and shall equitably adjust the delivery or performance dates or the contract price, or both, and any other contractual provision affected by such delay, in accordance with the procedures provided for in the clause of this contract entitled "Changes." In the event the Government-furnished Property is received by the Contractor in a condition not suitable for the intended use the Contractor shall, upon receipt thereof, notify the Contracting Officer of such fact and, as directed by the Contracting Officer, either (i) return such property at the Government's expense or otherwise dispose of the property, or (ii) effect repairs or modifications. Upon the completion of (i) or (ii) above, the Contracting Officer upon written request of the Contractor shall equitably adjust the delivery or performance dates or the contract price, or both, and any other contractual provision affected by the rejection or disposition, or the repair or modification, in accordance with the procedures provided for in the clause of this contract entitled "Changes." The foregoing provisions for adjustment are exclusive and the Government shall not be liable to suit for breach of contract by reason of any delay in delivery of Government-furnished Property or delivery of such property in a condition not suitable for its intended use.

(b) By notice in writing the Contracting Officer may decrease the property furnished or to be furnished by the Government under this contract. In any such case, the Contracting Officer upon the written request of the Contractor shall equitably adjust the delivery or performance dates or the contract price, or both, and any other contractual provisions affected by the decrease, in accordance with the procedures provided for in the clause of this contract entitled "Changes."

(c) Title to the Government-furnished Property shall remain in the Government. Title to Government-furnished Property shall not be affected by the incorporation or attachment thereof to any property not owned by the Government, nor shall such Government-furnished Property, or any part thereof, be or become a fixture or lose its identity as personalty by reason of affixation to any realty. The Contractor shall maintain adequate property control records of Government-furnished Property in accordance with the requirements of the "Manual for Control of Government Property in Possession of Contractors" (Appendix B, Armed Services Procurement Regulation) as in effect on the date of the contract, which Manual is hereby incorporated by reference and made a part of this contract.

(d) The Government-furnished Property shall, unless otherwise provided herein, be used only for the performance of this contract.

(e) The Contractor shall maintain and administer, in accordance with sound industrial practice, a program for the maintenance, repair, protection and preservation of Government-furnished Property, until disposed of by the Contractor in accordance with this clause. In the event that any damage occurs to Government-furnished Property the risk of which has been assumed by the Government under this contract, the Government shall replace such items

or the Contractor shall make such repair of the property as the Government directs; provided, however, that if the Contractor cannot effect such repair within the time required, the Contractor shall dispose of such property in the manner directed by the Contracting Officer. The contract price includes no compensation to the Contractor for the performance of any repair or replacement for which the Government is responsible, and an equitable adjustment will be made in the contract price for any such repair or replacement of Government-furnished Property made at the direction of the Government. Any repair or replacement for which the Contractor is responsible under the provisions of this contract shall be accomplished by the Contractor at its own expense.

(f) (i) Except for loss, destruction or damage resulting from a failure of the Contractor due to willful misconduct or lack of good faith of any of the Contractor's managerial personnel as defined herein, to maintain and administer the program for the maintenance, repair, protection and preservation of the Government-furnished Property, as required by paragraph (c) hereof, and except as specifically provided in this contract, the Contractor shall not be liable for loss or destruction of or damage to the Government-furnished Property (A) caused by any peril while the property is in transit off the Contractor's premises, or (B) caused by any of the following perils while the property is on the Contractor's or subcontractor's premises, or on any other premises where such property may properly be located, or by removal therefrom because of any of the following perils:

(I) Fire; lightning; windstorm, cyclone, tornado, hail; explosion; riot, riot attending a strike, civil commotion; vandalism and malicious mischief; sabotage; aircraft or objects falling therefrom; vehicles running on land or tracks, excluding vehicles owned or operated by the Contractor or any agent or employee of the Contractor; smoke; sprinkler leakage; earthquake or volcanic eruption; flood, meaning thereby rising of a body of water; hostile or warlike action, including action in hindering, combating, or defending against an actual, impending or expected attack by any government or sovereign power (de jure or de facto), or by any authority using military, naval, or air forces, or by an agent of any such government, power, authority, or forces; or

(II) Other peril, of a type not listed above, if such other peril is customarily covered by insurance (or by a reserve for self-insurance) in accordance with the normal practice of the Contractor, or the prevailing practice in the industry in which the Contractor is engaged with respect to similar property in the same general locale.

The perils as set forth in (A) and (B) above are hereinafter called "excepted perils."

This clause shall not be construed as relieving a subcontractor from liability for loss or destruction of or damage to the Government-furnished Property while in its possession or control, except to the extent that the subcontract, with the prior approval of the Contracting Officer, may provide for the relief of the subcontractor from such liability. In the absence of such approval, the subcontract shall contain appropriate provisions requiring the return of all Government-furnished Property in as good condition as when received, except for reasonable wear and tear or for the utilization of the property in accordance with the provisions of the prime contract.

The term "Contractor's managerial personnel" as used herein means the Contractor's directors, officers and any of its managers, superintendents, or other equivalent representatives who have supervision or direction of (I) all or substantially all of the Contractor's business; (II) all or substantially all of the Contractor's operation at any one plant or separate location at which the contract is being performed; (III) a separate and complete major industrial operation in connection with the performance of this contract.

(ii) The Contractor represents that it is not including in the price hereunder, and agrees that it will not hereafter include in any price to the Government, any charge or reserve for insurance (including self-insurance funds or reserve) covering loss or destruction of or damage to the Government-furnished Property caused by any excepted peril.

(iii) Upon the happening of loss or destruction of or damage to any Government-furnished Property caused by an excepted peril, the Contractor shall notify the Contracting Officer thereof, and shall communicate with the Loss and Salvage Organization, if any, now or hereafter designated by the Contracting Officer, and with the assistance of the Loss and Salvage Organization so designated (unless the Contracting Officer has directed that no such organization be employed), shall take all reasonable steps to protect the Government-furnished Property from further damage, separate the damaged and undamaged Government-furnished Property, put all the Government-furnished Property in the best possible order, and furnish to the Contracting Officer a statement of: (A) the lost, destroyed and damaged Government-furnished Property (B) the time and origin of the loss, destruction or damage, (C) all known interests in commingled property of which the Government-furnished Property is a part, and (D) the insurance, if any, covering any part of or interest in such commingled property. The Contractor shall be reimbursed for the expenditures made by it in performing its obligations under this subparagraph (iii) (including charges made to the Contractor by the Loss and Salvage Organization, except any of such charges the payment of which the Government has, at its option, assumed directly), to the extent approved by the Contracting Officer and set forth in a Supplemental Agreement.

(iv) With the approval of the Contracting Officer after loss or destruction of or damage to Government-furnished Property, and subject to such conditions and limitations as may be imposed by the Contracting Officer, the Contractor may, in order to minimize the loss to the Government or in order to permit resumption of business or the like, sell for the account of the Government any item of Government-furnished Property which has been damaged beyond practicable repair, or which is so commingled or combined with property of others, including the Contractor, that separation is impracticable.

(v) Except to the extent of any loss or destruction of or damage to Government-furnished Property for which the Contractor is relieved of liability under the foregoing provisions of this clause, and except for reasonable wear and tear or depreciation, or the utilization of the Government-furnished Property in accordance with the provisions of this contract, the Government-furnished Property (other than property permitted to be sold) shall be returned to the Government in as good condition as when received by the Contractor in connection with this contract, or as repaired under paragraph (e) above.

(vi) In the event the Contractor is reimbursed or compensated for any loss or destruction of or damage to the Government-furnished Property, caused by an excepted peril, it shall equitably reimburse the Government. The Contractor shall do nothing to prejudice the Government's rights to recover against third parties for any such loss, destruction or damage and, upon the request of the Contracting Officer, shall at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including the prosecution of suit and the execution of process) to recover from third parties the amount of the reimbursement or compensation, and, in addition, where

a subcontractor has not been relieved from liability for any loss or destruction of the Government-furnished Property, the Contractor shall enforce the liability of the subcontractor for such loss or destruction of or damage to the Government-furnished Property for the benefit of the Government.

(vii) [Where applicable] In the event any aircraft are to be furnished under this contract, any loss or destruction of, or damage to, such aircraft or other Government-furnished Property occurring in connection with operations of said aircraft will be governed by the clause of this contract captioned "Flight Risks," to the extent such clause is, by its terms, applicable.

(g) The Government shall at all reasonable times have access to the premises wherein any Government-furnished Property is located.

(h) Upon the completion of this contract, or at such earlier dates as may be fixed by the Contracting Officer, the Contractor shall submit, in a form acceptable to the Contracting Officer, inventory schedules covering all items of Government-furnished Property not consumed in the performance of this contract (including any resulting scrap), or not theretofore delivered to the Government, and shall deliver or make such other disposal of such Government-furnished Property, as may be directed or authorized by the Contracting Officer. Recoverable scrap from Government-furnished Property shall be reported in accordance with a procedure and in such form as the Contracting Officer may direct. The net proceeds of any such disposal shall be credited to the contract price or shall be paid in such other manner as the Contracting Officer may direct.

(i) Directions of the Contracting Officer and communications of the Contractor issued pursuant to this Clause shall be in writing.

(j) Such equipment, services, and facilities as are to be furnished and paid for by the Contractor under the provisions of the clause hereof entitled "Contractor Personnel," if not commercially available to the Contractor after the Contractor has made every effort to procure the same, may be furnished by the Government. Such equipment, services, and facilities, when supplied by the Government for the Contractor personnel shall be approximately of the same standard as supplied to commissioned officers of the United States Air Force. In the event that such equipment, services, and facilities are supplied by the Government, an equitable adjustment of the fixed price to be paid to the Contractor hereunder shall be made by the Contracting Officer and the contract amended accordingly. Such equipment and facilities shall be considered Government-furnished Property and subject to the provisions of this clause.

24. RIGHTS IN DATA - UNLIMITED

(a) The term "Subject Data" as used herein includes writings, sound recordings, pictorial reproductions, drawings or other graphical representations, and works of any similar nature (whether or not copyrighted) which are specified to be delivered under this contract. The term does not include financial reports, cost analyses and other information incidental to contract administration.

(b) Subject to the proviso of (c) below, the Government may duplicate, use, and disclose in any manner and for any purpose whatsoever, and have others so do, all Subject Data delivered under this contract.

(c) The contractor agrees to and does hereby grant to the Government, and to its officers, agents, and employees acting within the scope of their official duties, a royalty-free non-exclusive and irrevocable license throughout the world, to publish, translate, reproduce, deliver, perform, dispose of and to authorize others so to do, all Subject Data now or hereafter covered by copyright; PROVIDED, that with respect to such Subject Data not originated in the performance of this contract but which is incorporated in the work furnished under this contract such license shall be only to the extent that the Contractor, its employees, or any individual or concern specifically employed or assigned by the Contractor to originate and prepare such Data under this contract, now has, or prior to completion or final settlement of this contract may acquire, the right to grant such license without becoming liable to pay compensation to others solely because of such grant.

(d) The Contractor shall exert all reasonable effort to advise the Contracting Officer, at the time of delivery of the Subject Data furnished under this contract, of all invasions of the right of privacy contained therein and of all portions of such Data copied from work not composed or produced in the performance of this contract and not licensed under this clause.

(e) The Contractor shall report to the Contracting Officer, promptly and in reasonable written detail, each notice or claim of copyright infringement received by the Contractor with respect to all Subject Data delivered under this contract.

(f) Nothing contained in this clause shall imply a license to the Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government under any patent.

(g) The Contractor shall not affix any restrictive markings upon any Subject Data, and if such markings are affixed, the Government shall have the right at any time to modify, remove, obliterate or ignore any such marking.

25. ALTERATIONS

The following alterations were made in this contract prior to signature thereof by the parties to this contract:

- (a) In paragraph 17 entitled "EXAMINATION OF RECORDS" delete the words "Comptroller General of the United States" and substitute "Comptroller of the Contracting Agency".
- (b) Delete the last sentence of paragraph (d) of Clause 19 and substitute the following therefor:

"In the event that a contractor employee is required to perform services hereunder on an observed holiday, reimbursement shall not be made therefor but the employee will receive equivalent time off when the job permits."

- (c) Delete paragraph (a) of Clause 21 and substitute the following therefor:

"In addition to casual local transportation costs reimbursed through the man-month rate quoted for this work, the Contractor shall provide transportation for personnel and their necessary equipment, assigned to the performance of this contract, from the Contractor's plant to the site or sites of work, between the sites of work, and from the sites of work to the Contractor's plant, provided that commercial transportation is available, and the Contractor shall be reimbursed for actual and reasonable cost thereof under PART II-CONSIDERATION AND PAYMENT of the SCHEDULE. In cases where commercial transportation is not available or is impracticable the Government shall furnish transportation without cost to the Contractor. The Government, of providing first-class commercial transportation in lieu of the Contractor."

- (d) Delete paragraph (b) of Clause 21 and substitute the following therefor:

"Letter communications between the Contractor's personnel and the Contractor will be handled through APO. The Contractor's personnel will use the Government's communication facilities for the exchange of messages between Contractor personnel and the Contractor; but the use thereof shall be subject to the regulations of the Representatives of the Government in charge thereof."

- (e) The following Clause was added:

SECRET

Contract No. HF-8143

AUTHORIZATION AND CONSENT - The Government hereby gives its authorization and consent (without prejudice to its rights of indemnification, if such rights are provided for in this contract) for all use and manufacture, in the performance of this contract or any part hereof or any amendment hereto or any subcontract hereunder (including any lower-tier subcontract), or any patented invention (i) embodied in the structure or composition of any article the delivery of which is accepted by the Government under this contract, or (ii) utilized in the machinery, tools, or methods the use of which necessarily results from compliance by the Contractor or the using subcontractor with (a) specifications or written provisions now or hereafter forming a part of this contract, or (b) specific written instructions given by the Contracting Officer directing the manner of performance. The Contractor's entire liability to the Government for patent infringement shall be determined solely by the provisions of the indemnity clause, if any, included in the contract and the Government assumes liability for all other infringement to the extent of the authorization and consent hereinabove granted.